



Sale of Peru Business

Early Warning Report of Gran Tierra Energy International Holdings Ltd.

This news release is issued pursuant to National Instrument 62-104 – Take-Over Bids and Issuer Bids and National Instrument 62-103 – The Early Warning System and Related Take-Over Bid and Insider Reporting Issues in connection with the filing of an early warning report.

CALGARY, ALBERTA, December 18, 2017, Gran Tierra Energy Inc. (NYSE American:GTE)(NYSE MKT:GTE)(TSX:GTE) ("**Gran Tierra**") is pleased to announce the closing of the sale of its Peru business pursuant to the previously announced share purchase agreement entered into between the Gran Tierra Energy International Holdings ("**GTEIH**"), Gran Tierra, PetroTal Ltd. ("**PetroTal**") and Sterling Resources Ltd. ("**Sterling**"), effective November 9, 2017 (the "**Peru SPA**") and arrangement agreement entered into between PetroTal and Sterling, effective November 9, 2017 (the "**Arrangement Agreement**", and the transactions contemplated by the Peru SPA and the Arrangement Agreement, collectively, the "**Peru Transaction**").

Gary Guidry, President and Chief Executive Officer of Gran Tierra, commented "Consistent with our strategy of focusing on our core exploration, development and production assets in Colombia, we are pleased to close the sale of Gran Tierra's Peruvian assets to Sterling. We are confident that Sterling's management team is committed to unlocking the potentially significant asset value in Peru and maximizing value for their shareholders. Gran Tierra is retaining a significant equity ownership position in Sterling and a 20% carried working interest in Block 107, located in the Ucayali basin in Peru. Gran Tierra is well-positioned to participate in upside value created by Sterling in the Peruvian assets. We extend our best wishes for success to Sterling and its employees."

Pursuant to the Arrangement Agreement: (a) PetroTal completed a reverse take-over of Sterling; (b) Sterling and PetroTal were amalgamated; and (c) the management and board of directors of Sterling was reconstituted.

Pursuant to the Peru SPA, Sterling has acquired all of the issued and outstanding shares of Gran Tierra Energy International Peru Holdings B.V. ("**GTEIPH**") from GTEIH in exchange for 187,250,000 common shares in the capital of Sterling (the "**Common Shares**"), representing approximately 34.8% of the issued and outstanding Common Shares, plus or minus a cash-settled working capital adjustment. GTEIPH indirectly holds all of Gran Tierra's Peruvian assets.

GTEIH has filed an early warning report in connection with its acquisition of 187,250,000 Common Shares pursuant to the Peru SPA. Immediately prior to the completion of the Peru SPA, GTEIH did not own any Common Shares in Sterling. After giving effect to the Peru SPA, GTEIH, together with Gran Tierra Resources Limited ("**GTRL**"), held 246,100,000 Common Shares representing approximately 45.77% of the Common Shares. A copy of the early warning report filed by the GTEIH in connection with the Peru SPA is available on SEDAR, located at www.sedar.com.

The divestiture pursuant to the Peru SPA is expected to allow Gran Tierra to focus on its core Colombian exploration, development, and production operations. Gran Tierra will evaluate its investment in Sterling from time to time and may, based

on such evaluation, market conditions and other circumstances, increase or, subject to applicable escrow periods under the rules of the TSX Venture Exchange ("TSXV"), decrease shareholdings as circumstances require through market transactions, private agreements, or otherwise.

In connection with the Peru Transaction, GTEIH has entered into:

- along with GTRL, an investor rights agreement with Sterling, pursuant to which, inter alia, GTEIH and GTRL together have the right to nominate two directors to the board of Sterling as well as certain demand and piggy-back registration rights and certain pre-emptive rights and GTEIH and GTRL are prohibited from exercising voting rights over more than 30% of the issued and outstanding Common Shares, the whole subject to the terms and conditions set forth therein; and
- a carried interest and option agreement with Sterling and a Peruvian subsidiary, pursuant to which GTEIH has a 20% carried working interest in Block 107, located in the Ucayali basin in Peru, which interest may, at the option of GTEIH, either be converted to a non-carried working interest or be forfeited following the drilling of an exploration well in Block 107.

GTEIH expects that Common Shares which it acquired pursuant to the Peru Transaction will be deposited with an escrow agent and subject to the terms of an escrow agreement, substantially in the form required by the TSXV.

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About Gran Tierra Energy Inc.

Gran Tierra Energy Inc. together with its subsidiaries is an independent international energy company focused on oil and natural gas exploration and production in Colombia. The Company continues to pursue new growth opportunities, leveraging its financial strength. The Company's common shares trade on the NYSE American and the Toronto Stock Exchange under the ticker symbol GTE. Additional information concerning Gran Tierra is available at www.grantierra.com. Information on the Company's website does not constitute a part of this press release. Investor inquiries may be directed to info@grantierra.com or (403) 265-3221.

Gran Tierra's Securities and Exchange Commission filings are available on a website maintained by the Securities and Exchange Commission at <http://www.sec.gov> and on SEDAR at <http://www.sedar.com>.

Forward Looking Statements and Legal Advisories:

This press release contains opinions, forecasts, projections, and other statements about future events or results that constitute forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and financial outlook and forward looking information within the meaning of applicable Canadian securities laws (collectively, "forward-looking statements"). The use of the words "will" and "believes", derivations thereof and similar terms identify forward-looking statements. In particular, but without limiting the foregoing, this news release contains forward-looking statements regarding the anticipated benefits of the Peru Transaction to Gran Tierra and its shareholders.

The forward-looking statements contained in this news release are based on certain assumptions made by Gran Tierra based on management's experience and other factors believed to be appropriate. Gran Tierra believes these assumptions to be reasonable at this time, but the forward-looking statements are subject to risk and uncertainties, many of which are beyond Gran Tierra's control, which may cause actual results to differ materially from those implied or expressed by the forward looking statements. These include the factors discussed or referenced in Gran Tierra's reports filed with the Securities and Exchange Commission, including, without limitation, under the caption "Risk Factors" in Gran Tierra's Annual Report on Form 10-K filed March 1, 2017 and its subsequently filed Quarterly Reports on Form 10-Q. These filings are available on a Web site maintained by the Securities and Exchange Commission at <http://www.sec.gov> and on SEDAR at www.sedar.com. All forward-looking statements are made as of the date of this press release and the fact that this press release remains available does not constitute a representation by Gran Tierra that Gran Tierra believes these forward-looking statements continue to be true as of any subsequent date. Actual results may vary materially from the expected results expressed in forward-looking statements. Gran Tierra disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable.